**Quiz #4 – Chapter 2 Vocabulary**

Use the following vocabulary words to fill in the blanks. You may not use all of the words.

**Asset Budgeting Liquidity Equity**

**Income Interest Liability Net worth**

Sarah wants to buy a house for $100,000. Once she pays off her house, it will become her 1.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Working

as a nurse, her 2.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is $40,000 per year. Besides paying for the principal on the house, she will

also have to pay for the 3.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, which is a fee for borrowing money from the bank. Once she owns her

house, she can turn it into cash, this is an example of 4.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. The equation for net worth is assets

minus 5.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. By budget planning or 6.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ she can process the forecasting of

future expenses and afford her house.

Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Period:\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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